



November 14, 2013

Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, D.C. 20551
Attention: Robert deV. Frierson, Secretary

Re: Proposed FR 2052b

Dear Mr. Frierson:

Thank you for the opportunity to comment on the Proposed FR 2052b Liquidity Monitoring Report (the "Proposal") that was issued for comment by the Board of Governors of the Federal Reserve (the "Board"). BB&T Corporation¹ acknowledges the desire of the Board to gather timely and detailed information regarding organizations' overall liquidity profile. We offer suggestions below to further enhance the instructions as well as request additional clarification on certain items within the final rule.

BB&T is concerned with the lack of clarity surrounding current liquidity reporting and recent proposals.

BB&T appreciates the Board's heightened focus on liquidity in light of the 2008 financial crisis. As one of the most significant risks of the banking industry, liquidity needs to be monitored in a systematic and robust manner on both an industry-wide level and for specific institutions. We understand and support the need for enhanced reporting, but are concerned with the level of clarity provided by the Board regarding this additional reporting.

For example, it is not clear in the Proposal whether the Liquidity Monitoring Report is to be an additional report or replaces the Monthly Liquidity Report some filers currently submit. After the FR 2052b was proposed, the Liquidity Coverage Ratio: Liquidity Risk Measurement, Standards and Monitoring proposal ("LCR Proposal") was issued. This LCR Proposal would require daily monitoring of some of the same data points covered in the FR 2052b. This is complicated by our understanding that the definitions in the FR 2052b and the LCR Proposal are not always consistent. For example, the definition of liquid assets in the FR 2052b does not include certain government securities and common stock, while the LCR Proposal considers these as liquid assets. The definition of stable deposits in the FR 2052b is unclear with respect to accounting for deposits partially covered by deposit insurance, while

¹ As of September 30, 2013, BB&T Corporation ("BB&T"), including its wholly-owned subsidiary Branch Banking and Trust Company ("Branch Bank"), is one of the largest financial services companies in the U.S. with \$181.1 billion in assets and market capitalization of \$23.8 billion. Based in Winston-Salem, N.C., the company operates 1,824 financial centers in 12 states and Washington, D.C., and offers a full range of consumer and commercial banking, securities brokerage, asset management, mortgage and insurance products and services. A Fortune 500 company, BB&T is consistently recognized for outstanding client satisfaction by J.D. Power and Associates, the U.S. Small Business Administration, Greenwich Associates and others. More information about BB&T and its full line of products and services is available at www.BBT.com.

the LCR Proposal specifies that the entire amount should be considered Other Retail Deposits. These examples are not all-inclusive, but indicate that the lack of clarity in the FR 2052b could lead to discrepancies between the reporting, as well as the need for filers to have two different data collection efforts that yield different results from the same information. When taken together, these two reports result in duplicative and potentially inconsistent information. BB&T urges the Board to review the information requested in each of these proposals to ensure each item is uniquely requested, and that definitions and instructions align with current reporting requirements such as the Y9C, as well as within new proposals.

BB&T suggests the certification cover historical information only or that cautionary language be added to the certification.

BB&T is concerned about the proposed requirement that reports including forecasted information and estimates must be certified. We suggest instructions specify the certification covers only those items historical in nature and that forecast and estimated data will reflect reasonable accuracy, as specified in the general instructions. If the Board feels strongly the certification should cover the entire report, then we suggest including cautionary language similar to that published in SEC filings around forward-looking information.

BB&T suggests a minimum of 180 days between the issuance of a final rule and the rule's effective date.

The Proposal does not provide an implementation date. In general, we have concerns with the shortened time expectations of implementation recently issued from the regulatory agencies. Consistent with prior comments, we request the Board strive to be cognizant of the demands being placed on reporting entities when determining effective dates for new or revised filings. In addition, for this Proposal, much of the required data lies outside the systems currently used for regulatory reporting. Enhancing internal systems to include additional data elements takes time in order to source the data elements in a properly controlled environment. Due to the time needed to collect the data requested under this Proposal and the time needed to update our systems and internal controls surrounding the data collection, we request a minimum of 180 days between the final rule and the effective date for this Proposal.

BB&T requests additional clarification on a number of items.

There are a number of other specific areas for which additional clarification is needed for reporting entities to provide accurate and meaningful data submissions under the Proposal. These additional requests for clarification may be found in the Appendix to this letter.

We greatly appreciate your consideration of our comments related to the Proposed FR 2052b and would welcome the opportunity to discuss them further with you at your convenience. If you have any questions or need further information, please contact me directly at 336-733-2871.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'H. S. Johnson', with a long, sweeping horizontal line extending to the right.

Hal S. Johnson, CFA
Executive Vice President and Treasurer
BB&T Corporation

Appendix – Additional Requests for Clarification

1. Should item **5.1 FHLB Borrowing** be reported at book value or at par value?
2. Should item **5.3 Secured Deposits** be reported net of FDIC insurance, as that portion of the deposit is not secured by collateral?
3. The instructions for item **7.3 Long-Term Debt – Structured, Not Structured, Govt. Supported** indicate inclusion of derivatives classified as long term debt based on GAAP rules. Does this mean include any fair value hedges associated with long-term debt, so the debt is reported at fair value, not face value?
4. Please provide a definition of “established relationship” and “retail” in item **10.1 Retail & SME Deposits – Stable**. We are concerned that filers will have different definitions of what constitutes an established relationship, leading to inconsistency of data among filers. In addition, multiple FRB reports are now asking for “retail” information, but there does not seem to be a consistent definition across platforms. We are especially concerned with the definition of “retail funding” in the draft FR Y-15 instructions, which states that the account balances must be less than \$1 million, which is inconsistent with the \$1.5 million specified in the LCR Proposal. We suggest that the definition should focus more on the risk profile and internal management of the account. A balance based definition would create unnecessary volatility and potential misstatement based on the substance of a transaction instead of the form.
5. Please specify whether the inclusion or exclusion of term deposits that have a withdrawal penalty greater than the loss of interest in line **10.1 Retail & SME Deposits – Stable** should match the treatment of such deposits under Basel QIS reporting.
6. Does Section **12: Undrawn Commitments and Contingent Liquidity Needs** include unconditionally cancellable commitments?
7. The general instructions indicate to leave an item blank if it is not applicable based on the firm’s business activities. Does this include the maturity schedules for funding curves in items **21.1 Unsecured Bank Funding Curve** and **21.2 Unsecured Holding Company Funding Curve** that don’t have term points within a specified period?
8. Should the funding curves in items **21.1 Unsecured Bank Funding Curve** and **21.2 Unsecured Holding Company Funding Curve** be truncated at a certain time period or should they extend throughout whatever time period for which a firm has information in the >3 years maturity schedule?